



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

FOR IMMEDIATE RELEASE

Wednesday, December 1, 2010

For Information Contact:

Public Affairs

(202) 514-6933

http://www.usdoj.gov/usao/dc/Press_Releases/index.html

Florida Man Indicted On Wire Fraud And Other Charges In Massive Internet-Based Ponzi Scheme - Venture Raised over \$110 Million From “Members”

WASHINGTON -Thomas A. Bowdoin Jr., also known as Andy Bowdoin, the founder and operator of a business known as AdSurf Daily, Inc., (ASD) has been indicted by a federal grand jury on charges stemming from an Internet-based fraud scheme that generated more than \$110 million from thousands of people across the United States and other countries.

The indictment, which was unsealed today in U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr.

Bowdoin, 76, of Quincy, Fla., was arrested this morning at a home he was renting in Englewood, Fla. The indictment accuses him of five counts of wire fraud, one count of securities fraud, and one count of unlawful sale of unregistered securities. If convicted, Bowdoin faces a maximum sentence of 125 years in prison and fines of up to \$6,260,000.

The indictment alleges that Bowdoin ran a Ponzi scheme disguised as an online advertising company that drew in large numbers of investors by promising huge returns on their monies. According to the indictment, Bowdoin operated ASD from on or around September of 2006 until August of 2008. ASD operated on the Internet at various websites, including www.adsurfdaily.com, www.adcashgenerator.com, and www.lafuentedinero.com.

The indictment states that although Bowdoin presented ASD as an online advertising company, Bowdoin in reality was running an investment Ponzi Scheme. Bowdoin heralded ASD as an “income opportunity,” the indictment states. Bowdoin referred to himself as a “money magnet,” encouraged prospective ASD members to refer to themselves that way as well, and stated that it was his “goal ... to make 100,000 millionaires in 3 years.” To avoid regulatory scrutiny, Bowdoin referred to ASD’s investors as “members,” referred to the investor’s money, payment and investment principle as “ad packages,” and referred to the return on the member’s

investment that ASD promised and paid as “rebates.” Under the program, Bowdoin, through ASD, agreed to pay a return of 125% (initially 150%) on each dollar each member provided to ASD, as long as each member agreed to view a couple of websites themselves for a couple of minutes each day. Bowdoin also promised to pay commissions to members who referred others to join ASD.

According to the indictment, Bowdoin raised more than \$110 million from thousands of “members.” He used more than \$31 million to make payments to early members, more than \$8 million to operate ASD and promote ASD to subsequent members, and more than \$1 million for his own personal benefit or the benefit of his family. This money Bowdoin spent was not coming from actual revenues. Of the \$31 million that Bowdoin paid to these early members, more than 98% came from monies paid to ASD by other members, the indictment states.

The indictment alleges that Bowdoin made material misrepresentations and caused others to make material misrepresentations about his business, the source of the monies paid to the members, and his background. He actively promoted the scheme with a series of rallies in Las Vegas and other places, ran advertisements in in-flight airline magazines, and appeared in a video that aired over the Internet for several months in 2008. The indictment also alleges that Bowdoin failed to disclose that he made personal and household purchases from bank accounts that held ASD member funds, including paying off the mortgage on a property of one of his relatives, purchasing a new lake house for himself and his spouse, and purchasing furniture, water crafts and luxury automobiles.

In late July 2008, a federal judge granted applications by the U.S. Attorney for the District of Columbia for more than 15 warrants to seize the proceeds of Mr. Bowdoin’s fraudulent activity and related schemes. Thereafter, the U.S. Attorney’s Office brought two separate cases in federal court to forfeit assets that U.S. Secret Service agents had seized by these warrants. This included about \$80 million in funds seized from bank accounts, several cars, water-sport equipment, and two plots of land with their buildings. A federal judge of the U.S. District Court for the District of Columbia subsequently ordered the forfeiture of the money and property, and a program has been established for victims to make claims.

The United States government has contracted with a claims administration firm to process claims for funds that have been seized and forfeited in the AdSurf Daily case and related matters. The U.S. Secret Service and the Justice Department’s Asset Forfeiture and Money Laundering Section are overseeing this program, which is known as remission. Information about making claims is available at <http://www.adsurfdailyremission.com> or by calling 1-888-398-8214 or writing to Ad Surf Daily Remission Administrator, P.O. Box 2353, Faribault, MN 55021-9053.

In announcing the indictment, Mr. Machen praised the efforts of those who have investigated and prosecuted the case. He expressed appreciation to the agents who worked on the investigation from the U.S. Secret Service’s Orlando Field Office. He also commended those who worked on the case from the U.S. Attorney’s Office, including Financial Analyst Crystal Boodoo and Legal Assistants Jamasee Lucas, Mary Treanor, and Jessica McCormick;

Kimberly Smith, who provided litigation support, and Paralegals Tasha Harris and Taryn McLaughlin.

Finally he praised the work of former Assistant U.S. Attorney William Cowden and Assistant U.S. Attorneys Vasu B. Muthyala and David Gorman, who investigated the case, and Assistant U.S. Attorney Michael K. Atkinson and Mr. Muthyala, who are prosecuting the matter.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and is not evidence of guilt. Every defendant is presumed innocent until, and unless, proven guilty.

10-336

###